

## THE INTERNATIONAL AMERICAN BANK.

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JUNE 27, 1898.—Referred to the House Calendar and ordered to be printed.

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Mr. HILL, from the Committee on Banking and Currency, submitted the following

### REPORT.

[To accompany H. R. 10807.]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 7341) to carry into effect the recommendations of the International American Conference by the incorporation of the International American Bank, have had the same under consideration and respectfully report it back to the House with the accompanying bill as a substitute therefor, with the recommendation that the substitute bill be adopted and that H. R. 7431 be laid on the table.

The bill is the outgrowth of the Pan-American Congress held in Washington in 1889, and the proposition that the United States should incorporate an international American bank was initiated by the following resolution adopted by that body:

*Resolved*, That the conference recommends to the Governments here represented the granting of liberal concessions to facilitate inter-American banking, and especially such as may be necessary for the establishment of an international American bank, with branches or agencies in the several countries represented in this conference.

It has repeatedly received the favorable consideration of the committees of different Congresses in the form of a special act of incorporation with peculiar privileges concerning taxation, and while not in terms conferring exclusive powers, yet in reality doing so, without further affirmative action of Congress.

The substitute recommended is in effect a general law of which all citizens of the United States can avail themselves.

While containing the general features of the national-bank law it is more stringent in its provisions.

It fixes a limit of capital, while the present law prescribes none.

It requires a 50 per cent surplus before all current earnings can be applied to dividends, as against 20 per cent under present law.

It grants no privilege of note issue.

It has a fixed term of duration; the present law has practically none.

It affords an open market for the regular sale of bills of exchange by

compelling the maintenance of branches in foreign countries and permitting a limited number at points in the United States approved by the Comptroller of the Currency.

The only responsibility incurred by this Government is that of regulation and supervision, the expense of which is borne by the bank.

While transacting business in foreign countries, the control of the bank is retained here by requiring three-fifths of its directors to be American citizens, and its shares are subject to taxation in each State where owned in the same manner as other personal property.

The business transacted between this country and those to the south of us has aggregated more than \$3,000,000,000 since the recommendation of the Pan-American Congress was made for the organization of a bank of this kind.

Practically all of it has been carried on by drafts on London, at a cost of  $\frac{3}{4}$  to 1 per cent exchange.

If any reason existed then why such an institution was needed, it is far more potent now, when there is every indication that our foreign trade has taken on new life and growth, and that the commercial traveler will soon be treading upon the heels of the American soldiers and sailors who are carrying our flag to other shores.

Your committee can see no reason why the merchants of New Orleans and Mobile should not be permitted to establish financial connections with those countries which are geographically and commercially adjacent to them, and on conditions of capital and branch locations which shall be best adapted to their own requirements, subject to the approval of the Comptroller of the Currency.

They believe that the same necessity exists or will soon develop on the Pacific coast, and to that end that the scope of the bill should be broadened to include all foreign countries.

The Chamber of Commerce of New York, various commercial and trade associations, and many of the national banks of New York, realizing their own inability to provide the needed facilities for this trade, have indorsed this proposition for the establishment of international banks.

Similar institutions exist in most of the commercial nations of the world.

Sixty incorporated banks in London, with an aggregate capital of \$294,000,000, not only find in foreign trade a profitable business for their own stockholders, but greatly aid in opening and developing markets for the products of England's factories and supplying them with raw material at the lowest possible cost.

Your committee, believing that Congress has full power to grant the privileges given by this bill, and convinced that the exercise of them will be for the advancement of the foreign and domestic commerce of this country, and satisfied from the experience of the past and the conditions of the present that the end desired, namely, the control of American trade by Americans, can be best secured in this way, earnestly recommend the passage of the substitute bill.

The attention of the House is called to Report No. 3054, of the Fifty-fourth Congress, being a full and exhaustive treatment of the whole question by the Hon. Marriott Brosius, of the Committee on Banking and Currency.

## INTERNATIONAL AMERICAN BANK.

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JUNE 30, 1898.—Referred to the House Calendar and ordered to be printed.

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Mr. MADDUX, from the Committee on Banking and Currency, submitted the following as the

### VIEWS OF THE MINORITY.

[To accompany H. R. 10807.]

The Committee on Banking and Currency submit the following as the views of those signing this report on the bill H. R. 10807:

We are opposed to this bill. The two predominating reasons are, first, that Congress has no power to grant such a charter; secondly, it is the most stupendous corporation ever offered to control the finances of the country.

JOHN W. MADDUX.  
N. N. COX.  
J. F. STALLINGS.

THE  
JOURNAL OF THE  
ROYAL ANTHROPOLOGICAL INSTITUTE  
OF GREAT BRITAIN AND IRELAND  
VOLUME 31  
PART 1  
1901  
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